

Clay-Union Electric Corporation

P.O. Box 317
Vermillion, SD 57069

www.clayunionelectric.com

Phone (605) 624-2673
Fax (605) 624-5526

February 13, 2003

South Dakota Public Utilities Commission
Attn: Martin Bettmann
State Capital Building
Room 464
Pierre, SD 57501-5070

RECEIVED

FEB 18 2003

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

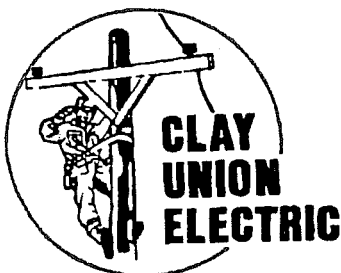
Dear Martin:

Please accept this letter as official notice to the South Dakota Public Utilities Commission (PUC) and our request for approval for the mutually agreed allocation of service territory to Clay Union Electric by the City of Vermillion. I have attached a copy of the agreement signed by both parties in agreeing to this allocation.

The agreement for the allocation of territory was necessary after discovering that the City of Vermillion was inadvertently serving outside its approved territorial boundary. As it turns out, this situation has existed for a number of years and was discovered when reviewing a new territory map. Because of the territorial boundary error, the City was serving about fourteen residences in assigned electric service territory of Clay Union Electric. The mutually agreed correction was for the City to allocate territory in another part of their service area to Clay Union Electric as compensation for the error. The service territory that they transferred to Clay Union Electric is bare ground and therefore involves no electric service customers.

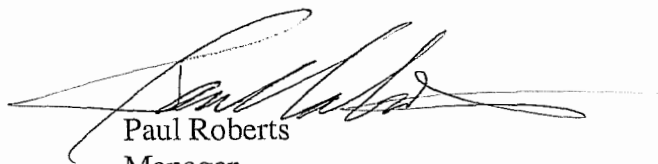
Both Clay Union Electric and the City of Vermillion agreed that the corrective action for the territorial error should not impact on any existing electric service customers. The mutually agreed solution accomplishes this goal.

On behalf of the parties to this agreement, we request this matter be placed on the PUC agenda for approval at the earliest possible date. In reviewing the attached agreement, the signatories of each party is evidence that this solution has been mutually agreed to and both parties are hopeful for favorable action.



If you need any further information or if you have any further questions on this activity, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Roberts", with a long horizontal flourish extending to the right.

Paul Roberts
Manager

encl

cc: City of Vermillion

AGREEMENT TO ALLOCATE ELECTRICAL SERVICE TERRITORY

THIS AGREEMENT made and entered into this 18th day of December, 2002, by and between The City of Vermillion; a municipal corporation, of 25 Center Street, Vermillion, SD 57069 (City) and Clay-Union Electric Corporation of 1410 E. Cherry Street, Vermillion, SD 57069 (Clay-Union), and in consideration of the mutual covenants contained herein, the parties hereto do agree as follows:

1.

City provides electrical service to individual and business consumers located within their assigned service territory.

2.

Clay-Union provides electrical service to individual and business consumers located within their assigned service territory.

3.

It has recently come to the attention of the City and Clay-Union that City has been inadvertently servicing approximately 14 mobile homes which are located within Clay-Union's assigned territory.

4.

In order to create a fair and equitable allocation of service territory for both City and Clay-Union, the parties have entered into this agreement to reallocate portions of their respective service territories.

5.

The parties agree that City will continue to serve the area in Clay-Union's assigned territory which they have been servicing and Clay-Union shall transfer this territory to City. This territory is described as:

THE EAST 320.5 FEET OF LOT Y OF REPLAT OF LOT B-2 IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER (SW $\frac{1}{4}$ NE $\frac{1}{4}$), SECTION 14, TOWNSHIP 92 NORTH, RANGE 52 WEST OF THE 5TH P.M., CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA.

This area to be served by City is shown on the attached map and highlighted in yellow. This map is incorporated herein by this reference. (Attachment #1)

6.

In return for City continuing to serve and receiving the above described territory, City shall transfer to Clay-Union a portion of their assigned service territory and thereafter Clay-Union shall include said property within their assigned service territory and shall provide service thereto. The territory to be transferred to Clay-Union is described as:

LOT 2, BLOCK 1, DEYONGE ADDITION TO THE CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA.

The area to be served by Clay-Union is shown on the attached map and highlighted in yellow. This map is incorporated herein by this reference. (Attachment #2)

7.

The parties acknowledge that this allocation of electrical service territory is authorized by SDCL 49-34A-55. The parties further agree that pursuant to said statute, this agreement shall

not become effective or be binding on the parties until it is filed and approved by the South Dakota Public Utilities Commission (PUC). Should PUC fail to approve this agreement, it shall be null and void.

8.

The parties agree that they have studied the electrical needs in the area to be divided and agree that the public interest will be best served through this agreement. By entering into this agreement, the parties shall eliminate and avoid unnecessary duplication of facilities, provide adequate service to all areas and consumers affected and promote the efficient and economical use and development of the electric system of the parties.

9.

The parties shall, forthwith, upon signing this agreement, submit said agreement to PUC for their review and approval and take all necessary steps to gain such approval.

10.

The parties shall execute three original copies of this Agreement.

CITY OF VERMILLION
A Municipal Corporation

CLAY-UNION ELECTRIC CORP.

By: Roger L. Kozak
Roger L. Kozak
Its: Mayor

By: Dan O'Connor
Dan O'Connor
Its: President of the Board

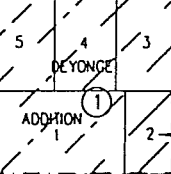
ATTEST:

Michael D. Carlson
Michael D. Carlson
Finance Officer

40 40

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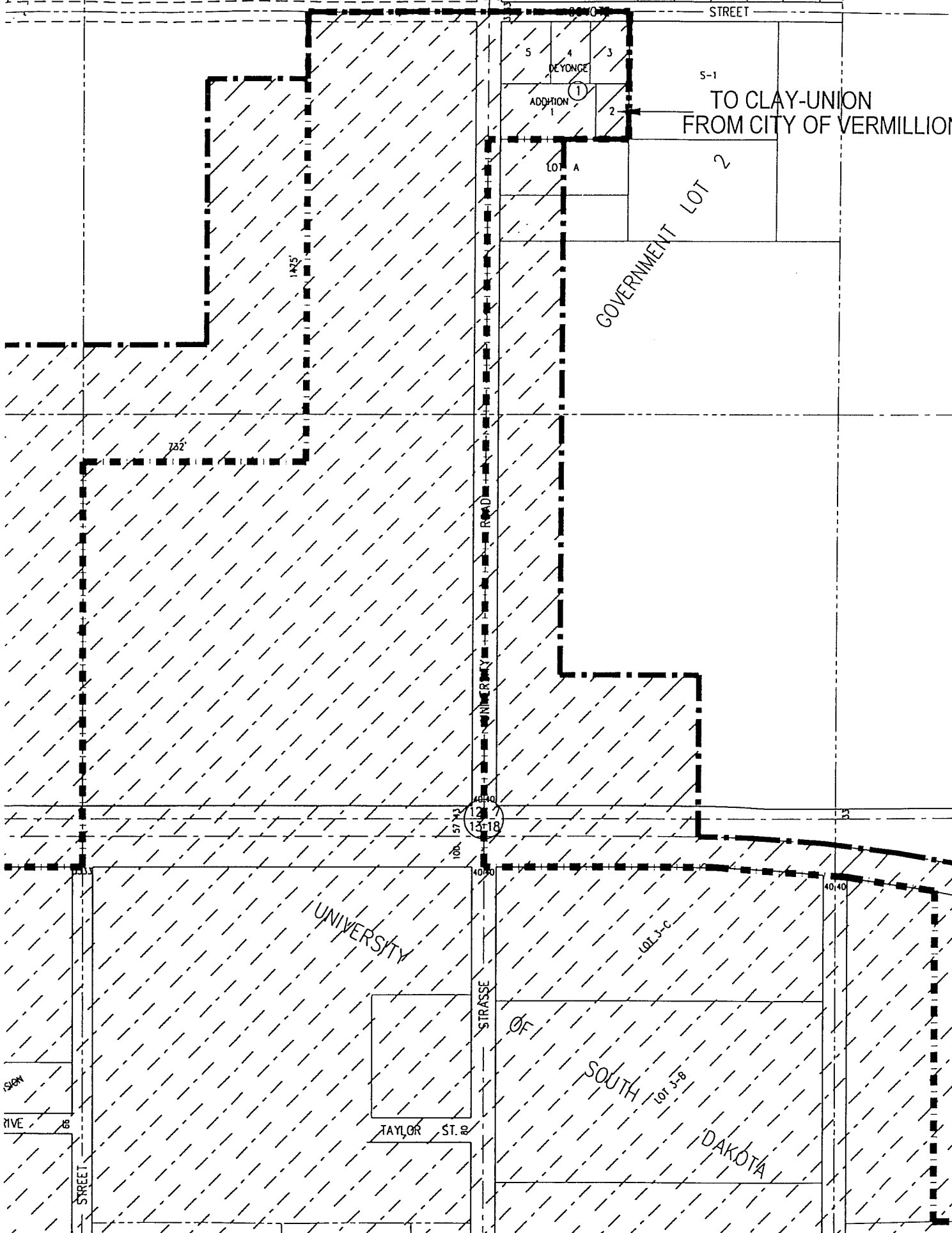
STREET



5-1
TO CLAY-UNION
FROM CITY OF VERMILLION

LOT A

GOVERNMENT LOT 2



732'

145'

13-18

UNIVERSITY

TAYLOR ST. @

LOT J-C

SOUTH

DAKOTA

RIVE

STREET

UNIVERSITY ROAD

South Dakota Public Utilities Commission
WEEKLY FILINGS

For the Period of February 13, 2003 through February 19, 2003

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this report. Phone: 605-773-3705

CONSUMER COMPLAINTS

CE03-002 In the Matter of the Complaint filed by Randy Dawson, Howard, South Dakota, against Central Electric Cooperative, Inc. Regarding Customer Service.

After bearing the expense of replacing a line that was removed by the Respondent, the Complainant received a bill for the installation of a meter and transformer. Complainant seeks to have the burden for the cost of the meter and transformer installation shifted to the Respondent.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Karen E. Cremer
Date Docketed: 02/13/03
Intervention Deadline: N/A

CT03-005 In the Matter of the Complaint filed by Veronica Woodruff, Mitchell, South Dakota, against MCIWorldCom Regarding Unauthorized Switching of Services.

Complainant alleges that the third party verification tape demonstrates that the party authorizing the change in service was not competent to make that decision. Therefore, the change of service is unauthorized. Complainant seeks to have all MCI usage and collection charges waived.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 02/19/03
Intervention deadline: N/A

ELECTRIC

EL03-004 In the Matter of the Joint Request for an Electric Service Territory Boundary Change between the City of Vermillion and Clay-Union Electric Corporation.

The Public Utilities Commission has received a jointly filed mutually agreed upon allocation of service territory agreement from the City of Vermillion and Clay Union

Electric. The agreement for the allocation of territory was necessary after discovering that the City of Vermillion was inadvertently serving outside its approved territorial boundary. The parties agree that the City will continue to serve the area in Clay Union's assigned territory which it has been servicing and Clay Union shall transfer this territory to City. This territory is described as: The East 320.5 feet of Lot Y of replat of Lot B-2 in the SW 1/4 of the NE 1/4, S14, T92N, R52W of the 5th PM, City of Vermillion, Clay County, South Dakota. In exchange, the City shall transfer to Clay Union a portion of its assigned service territory described as: Lot 2, Block 1, Deyonge addition to the City of Vermillion, Clay County, South Dakota.

Staff Analyst: Michele M. Farris

Staff Attorney: Karen Cremer

Date Docketed: 02/18/03

Intervention Deadline: 03/07/03

TELECOMMUNICATIONS

TC03-049 In the Matter of the Filing for Approval of an Agreement for Interconnection and Ancillary Services between FiberComm, L.C. and Long Lines Metro, LLC.

On February 13, 2003, the Commission received a Filing of a Negotiated Agreement For Interconnection and Local Number Portability between FiberComm, L.C. and Long Lines Metro, LLC. According to the parties, this negotiated agreement sets forth the terms, conditions and pricing under which the parties will offer and provide to other parties requesting network interconnection and ancillary services within the geographical areas in which both parties are providing local exchange service at that time, within the state of South Dakota for purposes of providing local telecommunications services. Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than March 5, 2003. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier

Date Docketed: 02/13/03

Initial Comments Due: 03/05/03

**You may receive this listing and other PUC publications via our website or via internet e-mail.
You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc>**

V City of VERMILLION

25 CENTER STREET
VERMILLION, SOUTH DAKOTA 57069
www.cityofvermillion.com

PHONE: (605) 677-7050

March 20, 2003

South Dakota Public Utilities Commission
Attn: Martin Bettmann
State Capital Building
Room 464
Pierre, SD 57501-5070


Dear Mr. Bettmann;

Please accept this letter as official notice to the South Dakota Public Utilities Commission (PUC) and our request for approval for the City's intent to purchase electric utilities properties in annexed areas. I have attached a copy of the notice sent to Clay Union Electric Corporation and their reply that the board took action on the notice on September 25, 2002 meeting.

On behalf of the parties, we request this matter be placed on the PUC agenda for approval.

If you need any further information or if you have any further questions on this activity please contact me.

Sincerely;


James H. Patrick
City Manager

Enclosures

Cc: Clay Union Electric

EL03-004

RECEIVED

MAR 24 2003

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION



for 605-677-5461

Clay-Union Electric Corporation

P.O. Box 317
Vermillion, SD 57069

www.clayunionelectric.com

Phone (605) 624-2673
Fax (605) 624-5526

August 9, 2002

Jim Patrick, City Manager
City of Vermillion
25 Center Street
Vermillion, SD 57069

Dear Jim:

Please accept this letter as our acceptance of the Notice of Intent to Purchase Electric Properties in Annexed Areas dated August 27, 2002.

At its meeting on September 25, 2002, Board of Directors of Clay Union Electric took action to accept this notice. We will work with you to accomplish this action in timely manner.

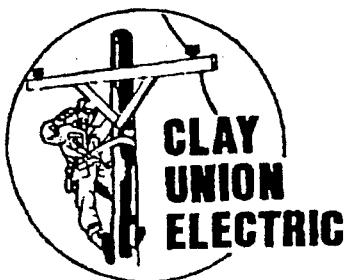
A meeting in the near future to discuss this activity may be helpful.

If you have any questions or comments, please feel free to contact me.

Sincerely,



Paul Roberts
Manager



V City of VERMILLION



25 CENTER STREET
VERMILLION, SOUTH DAKOTA 57069
www.cityofvermillion.com

PHONE: (605) 677-7050

August 27, 2002

Paul Roberts
Clay Union Electric Corporation
P.O. Box 317
Vermillion, SD 57069

Dear Paul;

In accordance with the action taken by the Vermillion City Council on August 19, 2002, I am conveying to Clay Union Electric Corporation this Notice of Intent to Purchase Electric Utility Properties in Annexed Ares. Attached is the required map that outlines the areas, which the City intends to serve in conjunction with its recent annexation.

I respectfully request acknowledgement of the offer to purchase, which is contained within the Notice. We would like to set up a meeting in the near future to being discussions related to this area.

As to the service area along Westgate Drive, formerly Darcene Street, if you have any suggestions on ways to correct please let me know.

Sincerely;

Michael D. Carlson
Finance Officer

**NOTICE OF INTENT TO PURCHASE
ELECTRIC UTILITY PROPERTIES
IN ANNEXED AREAS**

TO CLAY-UNION ELECTRIC COOP, A COOPERATIVE ASSOCIATION,
VERMILLION, SOUTH DAKOTA:

Pursuant to SDCL 49-34A-49, the City of Vermillion, a municipal corporation, which operates an electrical utility, (the City) hereby notifies Clay-Union Electric Coop, an electric cooperative association, that the City intends to exercise its statutorily conferred rights to serve electrical energy to customers in areas, which are hereinafter more particularly described and which were annexed to the City on the dates hereinafter mentioned, viz:

Commence at the W $\frac{1}{4}$ corner of Section 7, Township 92 North, Range 51 West of the 5th P.M., Clay County, South Dakota, which is also the NW corner of Lot 2 of the SW $\frac{1}{4}$ of said Section 7, and is the real point of beginning; thence easterly along the north line of said Lot 2 a distance of 28 +/- rods; thence southerly, along a line parallel with the west line of said Lot 2, a distance of 25.3 +/- rods; thence westerly, along a line parallel with the north line of said Lot 2, a distance of 28 +/- rods; thence northerly, along the west line of said Lot 2, a distance of 25.3 +/- rods to the p.o.b. After final plat approval the area shall be known as Lots 1-5, Block 1, Deyonge Addition to the City of Vermillion, Clay County, South Dakota.

Annexed on July 15, 2002.

The west 250 feet of the above described area is already in the City electrical service area. Said service areas are also described graphically on maps of the City of Vermillion, copies of which are attached hereto and served herewith.

The City further notifies Clay-Union Electric that the City is not aware of any Clay-Union Electric distribution properties being located within the hereinabove described property. The City offers to pay as compensation for service rights an annual amount, payable each year for a period of seven (7) years, equal to the sum of Twenty-Five (25%) percent of the gross revenues received from power sales to consumers of electric power within the annexed areas during said seven (7) year period. Gross revenues received shall be determined by applying the rate in effect by Clay-Union Electric Coop at the time of purchase.

In the event the City and Clay-Union Electric Cooperative Association are unable to agree as to the amount to be paid, the City will apply to the Public Utilities Commission of the State of South Dakota, requesting the Commission, after notice and hearing, to determine the amount of the payment in accordance with SDCL 49-34A-50.

Dated at Vermillion, South Dakota this 19 day of August, 2002.

THE CITY OF VERMILLION
a municipal corporation

By Roger L. Kozak
Roger L. Kozak, Mayor

ATTEST:

By Michael D. Carlson
Michael D. Carlson, Finance Officer

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE JOINT REQUEST)	ORDER GRANTING
FOR AN ELECTRIC SERVICE TERRITORY)	APPROVAL OF CHANGES
BOUNDARY CHANGE BETWEEN THE CITY)	IN THE ELECTRIC SERVICE
OF VERMILLION AND CLAY-UNION ELECTRIC)	TERRITORY
CORPORATION)	EL03-004

On February 18, 2003, the Public Utilities Commission (Commission) received a joint filing by the City of Vermillion (City) and Clay-Union Electric Corporation (Clay-Union) for approval of an electric service territory boundary change. According to the application, the allocation of territory was necessary after discovering that the City of Vermillion was inadvertently serving outside its approved territorial boundary. The parties agree that the City will continue to serve the area in Clay Union's assigned territory which it has been servicing and Clay Union shall transfer this territory to City. The electric service boundary change is as follows:

City shall provide electrical service to consumers located in the East 320.5 feet of Lot Y of replat of Lot B-2 in the SW 1/4 of the NE 1/4, S14, T92N, R52W of the 5th P.M., City of Vermillion, Clay County, South Dakota.

In exchange, the City shall transfer to Clay Union a portion of its assigned service territory described as: Lot 2, Block 1, Deyonge addition to the City of Vermillion, Clay County, South Dakota.

Commission Staff requested further information from Clay-Union and City. The information revealed that the City had annexed a portion of the Deyonge Addition in the fall of 2002. The City did not notify the Commission of the annexation, therefore the Commission's map was not updated. On March 24, 2003, the City requested approval of the annexation. The annexation includes a portion of Lot 1 and Lot 4, and Lots 2 and 3 of Block 1 of the Deyonge Addition.

On April 15, 2003, at its regularly scheduled meeting, the Commission considered the request for approval of the boundary change due to annexation. The Commission also considered the proposed joint territory boundary change. Commission Staff recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A, specifically, 49-34A-4, 49-34A-42, and 49-34A-55. Further, the Commission finds that the change in the service territory boundary due to annexation and the joint request for a territory boundary change will avoid unnecessary duplication of facilities, provide adequate electric service to all customers affected, and promote the efficient use and development of the electric systems of City and Clay-Union. The Commission therefore concludes that the change in the service territory due to annexation and the joint request for a territory boundary change is in the public interest and it shall be granted. As the Commission's final decision in this matter, it is therefore

ORDERED, that the request seeking approval of an electric service territory boundary change between City and Clay-Union due to annexation is hereby granted. It is further

ORDERED, that the request seeking approval of the joint territory boundary change is hereby granted.

Dated at Pierre, South Dakota, this 24th day of April, 2003.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: Delaine Kolbo

Date: 4/24/03

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Gary Hanson
GARY HANSON, Commissioner

James A. Burg
JAMES A. BURG, Commissioner